



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0007

Introduced 12/3/2004, by Rep. David E. Miller

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-80
35 ILCS 200/18-185
105 ILCS 5/2-3.137 new
105 ILCS 5/3-15.1 from Ch. 122, par. 3-15.1
105 ILCS 5/17-9.02 new
30 ILCS 805/8.29 new

Amends the School Code. Authorizes school districts to adopt mandate relief levies for special education mandates and transportation mandates. Requires each school district to include in its annual financial statement a report showing the receipts and disbursements for special educational purposes and for transportation purposes, including the balance in those funds. Amends the Property Tax Code. Changes the Truth in Taxation Law with respect to the form of the notice required to be published by school districts. Exempts the new school levies from the limitations imposed by the Property Tax Extension Limitation Law. Amends the State Mandates Act to require implementation without reimbursement. Effective July 1, 2005.

LRB094 03520 RAS 33523 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Sections 18-80 and 18-185 as follows:

6 (35 ILCS 200/18-80)

7 Sec. 18-80. Time and form of notice. The notice shall
8 appear not more than 14 days nor less than 7 days prior to the
9 date of the public hearing. The notice shall be no less than
10 1/8 page in size, and the smallest type used shall be 12 point
11 and shall be enclosed in a black border no less than 1/4 inch
12 wide. The notice shall not be placed in that portion of the
13 newspaper where legal notices and classified advertisements
14 appear. The notice for all taxing districts except school
15 districts shall be published in substantially the following
16 form:

17 Notice of Proposed Property Tax Increase for ... (commonly
18 known name of taxing district).

19 I. A public hearing to approve a proposed property tax levy
20 increase for ... (legal name of the taxing district)... for ...
21 (year) ... will be held on ... (date) ... at ... (time) ... at
22 ... (location).

23 Any person desiring to appear at the public hearing and
24 present testimony to the taxing district may contact ... (name,
25 title, address and telephone number of an appropriate
26 official).

27 II. The corporate and special purpose property taxes
28 extended or abated for ... (preceding year) ... were ...
29 (dollar amount of the final aggregate levy as extended, plus
30 the amount abated by the taxing district prior to extension).

31 The proposed corporate and special purpose property taxes
32 to be levied for ... (current year) ... are ... (dollar amount

1 of the proposed aggregate levy). This represents a ...
2 (percentage) ... increase over the previous year.

3 III. The property taxes extended for debt service and
4 public building commission leases for ... (preceding year) ...
5 were ... (dollar amount).

6 The estimated property taxes to be levied for debt service
7 and public building commission leases for ... (current year)
8 ... are ... (dollar amount). This represents a ... (percentage
9 increase or decrease) ... over the previous year.

10 IV. The total property taxes extended or abated for ...
11 (preceding year) ... were ... (dollar amount).

12 The estimated total property taxes to be levied for ...
13 (current year) ... are ... (dollar amount). This represents a
14 ... (percentage increase or decrease) ... over the previous
15 year.

16 The notice for all school districts shall be published in
17 substantially the following form:

18 Notice of Proposed Property Tax Increase for ... (commonly
19 known name of school district).

20 I. A public hearing to approve a proposed property tax levy
21 increase for ... (legal name of the taxing district)... for ...
22 (year) ... will be held on ... (date) ... at ... (time) ... at
23 ... (location).

24 Any person desiring to appear at the public hearing and
25 present testimony to the taxing district may contact ... (name,
26 title, address, and telephone number of an appropriate
27 official).

28 II. The corporate and special purpose property taxes
29 extended or abated for ... (preceding year) ... were ...
30 (dollar amount of the final aggregate levy as extended, plus
31 the amount abated by the taxing district prior to extension).

32 The proposed corporate and special purpose property taxes
33 to be levied for ... (current year) ... are ... (dollar amount
34 of the proposed aggregate levy). This represents a ...
35 (percentage) ... increase over the previous year.

36 III. The property taxes extended for debt service and

1 public building commission leases for ... (preceding year) ...
2 were ... (dollar amount).

3 The estimated property taxes to be levied for debt service
4 and public building commission leases for ... (current year)
5 ... are ... (dollar amount). This represents a ... (percentage
6 increase or decrease) ... over the previous year.

7 IV. The audit completed for fiscal year ... (previous
8 fiscal year) for the Special Education Mandate listed a
9 shortfall of ... (dollar amount of shortfall; \$0 if a surplus).
10 The audit completed for that fiscal year for the Transportation
11 Mandate listed a shortfall of ... (dollar amount of shortfall;
12 \$0 if a surplus). The proposed Mandate Shortfall Relief Levy
13 for the Special Education Mandate for ... (current year) is ...
14 (dollar amount not to exceed the amount of the audited
15 shortfall). The proposed Mandate Shortfall Relief Levy for the
16 Transportation Mandate for ... (current year) is ... (dollar
17 amount not to exceed the amount of the audited shortfall).

18 V. The total property taxes extended or abated for ...
19 (preceding year) ... were ... (dollar amount).

20 The estimated total property taxes to be levied for ...
21 (current year) ... are ... (dollar amount). This represents a
22 ... (percentage increase or decrease) ... over the previous
23 year.

24 Any notice which includes any information not specified and
25 required by this Article shall be an invalid notice.

26 All hearings shall be open to the public. The corporate
27 authority of the taxing district shall explain the reasons for
28 the proposed increase and shall permit persons desiring to be
29 heard an opportunity to present testimony within reasonable
30 time limits as it determines.

31 (Source: P.A. 92-382, eff. 8-16-01.)

32 (35 ILCS 200/18-185)

33 Sec. 18-185. Short title; definitions. This Division 5 may
34 be cited as the Property Tax Extension Limitation Law. As used
35 in this Division 5:

1 "Consumer Price Index" means the Consumer Price Index for
2 All Urban Consumers for all items published by the United
3 States Department of Labor.

4 "Extension limitation" means (a) the lesser of 5% or the
5 percentage increase in the Consumer Price Index during the
6 12-month calendar year preceding the levy year or (b) the rate
7 of increase approved by voters under Section 18-205.

8 "Affected county" means a county of 3,000,000 or more
9 inhabitants or a county contiguous to a county of 3,000,000 or
10 more inhabitants.

11 "Taxing district" has the same meaning provided in Section
12 1-150, except as otherwise provided in this Section. For the
13 1991 through 1994 levy years only, "taxing district" includes
14 only each non-home rule taxing district having the majority of
15 its 1990 equalized assessed value within any county or counties
16 contiguous to a county with 3,000,000 or more inhabitants.
17 Beginning with the 1995 levy year, "taxing district" includes
18 only each non-home rule taxing district subject to this Law
19 before the 1995 levy year and each non-home rule taxing
20 district not subject to this Law before the 1995 levy year
21 having the majority of its 1994 equalized assessed value in an
22 affected county or counties. Beginning with the levy year in
23 which this Law becomes applicable to a taxing district as
24 provided in Section 18-213, "taxing district" also includes
25 those taxing districts made subject to this Law as provided in
26 Section 18-213.

27 "Aggregate extension" for taxing districts to which this
28 Law applied before the 1995 levy year means the annual
29 corporate extension for the taxing district and those special
30 purpose extensions that are made annually for the taxing
31 district, excluding special purpose extensions: (a) made for
32 the taxing district to pay interest or principal on general
33 obligation bonds that were approved by referendum; (b) made for
34 any taxing district to pay interest or principal on general
35 obligation bonds issued before October 1, 1991; (c) made for
36 any taxing district to pay interest or principal on bonds

1 issued to refund or continue to refund those bonds issued
2 before October 1, 1991; (d) made for any taxing district to pay
3 interest or principal on bonds issued to refund or continue to
4 refund bonds issued after October 1, 1991 that were approved by
5 referendum; (e) made for any taxing district to pay interest or
6 principal on revenue bonds issued before October 1, 1991 for
7 payment of which a property tax levy or the full faith and
8 credit of the unit of local government is pledged; however, a
9 tax for the payment of interest or principal on those bonds
10 shall be made only after the governing body of the unit of
11 local government finds that all other sources for payment are
12 insufficient to make those payments; (f) made for payments
13 under a building commission lease when the lease payments are
14 for the retirement of bonds issued by the commission before
15 October 1, 1991, to pay for the building project; (g) made for
16 payments due under installment contracts entered into before
17 October 1, 1991; (h) made for payments of principal and
18 interest on bonds issued under the Metropolitan Water
19 Reclamation District Act to finance construction projects
20 initiated before October 1, 1991; (i) made for payments of
21 principal and interest on limited bonds, as defined in Section
22 3 of the Local Government Debt Reform Act, in an amount not to
23 exceed the debt service extension base less the amount in items
24 (b), (c), (e), and (h) of this definition for non-referendum
25 obligations, except obligations initially issued pursuant to
26 referendum; (j) made for payments of principal and interest on
27 bonds issued under Section 15 of the Local Government Debt
28 Reform Act; (k) made by a school district that participates in
29 the Special Education District of Lake County, created by
30 special education joint agreement under Section 10-22.31 of the
31 School Code, for payment of the school district's share of the
32 amounts required to be contributed by the Special Education
33 District of Lake County to the Illinois Municipal Retirement
34 Fund under Article 7 of the Illinois Pension Code; the amount
35 of any extension under this item (k) shall be certified by the
36 school district to the county clerk; (l) made to fund expenses

1 of providing joint recreational programs for the handicapped
2 under Section 5-8 of the Park District Code or Section 11-95-14
3 of the Illinois Municipal Code; (m) made for temporary
4 relocation loan repayment purposes pursuant to Sections 2-3.77
5 and 17-2.2d of the School Code; ~~and~~ (n) made for payment of
6 principal and interest on any bonds issued under the authority
7 of Section 17-2.2d of the School Code; (o) and (m) made for
8 contributions to a firefighter's pension fund created under
9 Article 4 of the Illinois Pension Code, to the extent of the
10 amount certified under item (5) of Section 4-134 of the
11 Illinois Pension Code; and (p) made for any mandate shortfall
12 relief levy under Section 17-9.02 of the School Code.

13 "Aggregate extension" for the taxing districts to which
14 this Law did not apply before the 1995 levy year (except taxing
15 districts subject to this Law in accordance with Section
16 18-213) means the annual corporate extension for the taxing
17 district and those special purpose extensions that are made
18 annually for the taxing district, excluding special purpose
19 extensions: (a) made for the taxing district to pay interest or
20 principal on general obligation bonds that were approved by
21 referendum; (b) made for any taxing district to pay interest or
22 principal on general obligation bonds issued before March 1,
23 1995; (c) made for any taxing district to pay interest or
24 principal on bonds issued to refund or continue to refund those
25 bonds issued before March 1, 1995; (d) made for any taxing
26 district to pay interest or principal on bonds issued to refund
27 or continue to refund bonds issued after March 1, 1995 that
28 were approved by referendum; (e) made for any taxing district
29 to pay interest or principal on revenue bonds issued before
30 March 1, 1995 for payment of which a property tax levy or the
31 full faith and credit of the unit of local government is
32 pledged; however, a tax for the payment of interest or
33 principal on those bonds shall be made only after the governing
34 body of the unit of local government finds that all other
35 sources for payment are insufficient to make those payments;
36 (f) made for payments under a building commission lease when

1 the lease payments are for the retirement of bonds issued by
2 the commission before March 1, 1995 to pay for the building
3 project; (g) made for payments due under installment contracts
4 entered into before March 1, 1995; (h) made for payments of
5 principal and interest on bonds issued under the Metropolitan
6 Water Reclamation District Act to finance construction
7 projects initiated before October 1, 1991; (i) made for
8 payments of principal and interest on limited bonds, as defined
9 in Section 3 of the Local Government Debt Reform Act, in an
10 amount not to exceed the debt service extension base less the
11 amount in items (b), (c), and (e) of this definition for
12 non-referendum obligations, except obligations initially
13 issued pursuant to referendum and bonds described in subsection
14 (h) of this definition; (j) made for payments of principal and
15 interest on bonds issued under Section 15 of the Local
16 Government Debt Reform Act; (k) made for payments of principal
17 and interest on bonds authorized by Public Act 88-503 and
18 issued under Section 20a of the Chicago Park District Act for
19 aquarium or museum projects; (l) made for payments of principal
20 and interest on bonds authorized by Public Act 87-1191 or
21 93-601 and (i) issued pursuant to Section 21.2 of the Cook
22 County Forest Preserve District Act, (ii) issued under Section
23 42 of the Cook County Forest Preserve District Act for
24 zoological park projects, or (iii) issued under Section 44.1 of
25 the Cook County Forest Preserve District Act for botanical
26 gardens projects; (m) made pursuant to Section 34-53.5 of the
27 School Code, whether levied annually or not; (n) made to fund
28 expenses of providing joint recreational programs for the
29 handicapped under Section 5-8 of the Park District Code or
30 Section 11-95-14 of the Illinois Municipal Code; (o) made by
31 the Chicago Park District for recreational programs for the
32 handicapped under subsection (c) of Section 7.06 of the Chicago
33 Park District Act; ~~and~~ (p) made for contributions to a
34 firefighter's pension fund created under Article 4 of the
35 Illinois Pension Code, to the extent of the amount certified
36 under item (5) of Section 4-134 of the Illinois Pension Code;

1 and (g) made for any mandate shortfall relief levy under
2 Section 17-9.02 of the School Code.

3 "Aggregate extension" for all taxing districts to which
4 this Law applies in accordance with Section 18-213, except for
5 those taxing districts subject to paragraph (2) of subsection
6 (e) of Section 18-213, means the annual corporate extension for
7 the taxing district and those special purpose extensions that
8 are made annually for the taxing district, excluding special
9 purpose extensions: (a) made for the taxing district to pay
10 interest or principal on general obligation bonds that were
11 approved by referendum; (b) made for any taxing district to pay
12 interest or principal on general obligation bonds issued before
13 the date on which the referendum making this Law applicable to
14 the taxing district is held; (c) made for any taxing district
15 to pay interest or principal on bonds issued to refund or
16 continue to refund those bonds issued before the date on which
17 the referendum making this Law applicable to the taxing
18 district is held; (d) made for any taxing district to pay
19 interest or principal on bonds issued to refund or continue to
20 refund bonds issued after the date on which the referendum
21 making this Law applicable to the taxing district is held if
22 the bonds were approved by referendum after the date on which
23 the referendum making this Law applicable to the taxing
24 district is held; (e) made for any taxing district to pay
25 interest or principal on revenue bonds issued before the date
26 on which the referendum making this Law applicable to the
27 taxing district is held for payment of which a property tax
28 levy or the full faith and credit of the unit of local
29 government is pledged; however, a tax for the payment of
30 interest or principal on those bonds shall be made only after
31 the governing body of the unit of local government finds that
32 all other sources for payment are insufficient to make those
33 payments; (f) made for payments under a building commission
34 lease when the lease payments are for the retirement of bonds
35 issued by the commission before the date on which the
36 referendum making this Law applicable to the taxing district is

1 held to pay for the building project; (g) made for payments due
2 under installment contracts entered into before the date on
3 which the referendum making this Law applicable to the taxing
4 district is held; (h) made for payments of principal and
5 interest on limited bonds, as defined in Section 3 of the Local
6 Government Debt Reform Act, in an amount not to exceed the debt
7 service extension base less the amount in items (b), (c), and
8 (e) of this definition for non-referendum obligations, except
9 obligations initially issued pursuant to referendum; (i) made
10 for payments of principal and interest on bonds issued under
11 Section 15 of the Local Government Debt Reform Act; (j) made
12 for a qualified airport authority to pay interest or principal
13 on general obligation bonds issued for the purpose of paying
14 obligations due under, or financing airport facilities
15 required to be acquired, constructed, installed or equipped
16 pursuant to, contracts entered into before March 1, 1996 (but
17 not including any amendments to such a contract taking effect
18 on or after that date); (k) made to fund expenses of providing
19 joint recreational programs for the handicapped under Section
20 5-8 of the Park District Code or Section 11-95-14 of the
21 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
22 firefighter's pension fund created under Article 4 of the
23 Illinois Pension Code, to the extent of the amount certified
24 under item (5) of Section 4-134 of the Illinois Pension Code; and
25 and (m) made for any mandate shortfall relief levy under
26 Section 17-9.02 of the School Code.

27 "Aggregate extension" for all taxing districts to which
28 this Law applies in accordance with paragraph (2) of subsection
29 (e) of Section 18-213 means the annual corporate extension for
30 the taxing district and those special purpose extensions that
31 are made annually for the taxing district, excluding special
32 purpose extensions: (a) made for the taxing district to pay
33 interest or principal on general obligation bonds that were
34 approved by referendum; (b) made for any taxing district to pay
35 interest or principal on general obligation bonds issued before
36 the effective date of this amendatory Act of 1997; (c) made for

1 any taxing district to pay interest or principal on bonds
2 issued to refund or continue to refund those bonds issued
3 before the effective date of this amendatory Act of 1997; (d)
4 made for any taxing district to pay interest or principal on
5 bonds issued to refund or continue to refund bonds issued after
6 the effective date of this amendatory Act of 1997 if the bonds
7 were approved by referendum after the effective date of this
8 amendatory Act of 1997; (e) made for any taxing district to pay
9 interest or principal on revenue bonds issued before the
10 effective date of this amendatory Act of 1997 for payment of
11 which a property tax levy or the full faith and credit of the
12 unit of local government is pledged; however, a tax for the
13 payment of interest or principal on those bonds shall be made
14 only after the governing body of the unit of local government
15 finds that all other sources for payment are insufficient to
16 make those payments; (f) made for payments under a building
17 commission lease when the lease payments are for the retirement
18 of bonds issued by the commission before the effective date of
19 this amendatory Act of 1997 to pay for the building project;
20 (g) made for payments due under installment contracts entered
21 into before the effective date of this amendatory Act of 1997;
22 (h) made for payments of principal and interest on limited
23 bonds, as defined in Section 3 of the Local Government Debt
24 Reform Act, in an amount not to exceed the debt service
25 extension base less the amount in items (b), (c), and (e) of
26 this definition for non-referendum obligations, except
27 obligations initially issued pursuant to referendum; (i) made
28 for payments of principal and interest on bonds issued under
29 Section 15 of the Local Government Debt Reform Act; (j) made
30 for a qualified airport authority to pay interest or principal
31 on general obligation bonds issued for the purpose of paying
32 obligations due under, or financing airport facilities
33 required to be acquired, constructed, installed or equipped
34 pursuant to, contracts entered into before March 1, 1996 (but
35 not including any amendments to such a contract taking effect
36 on or after that date); (k) made to fund expenses of providing

1 joint recreational programs for the handicapped under Section
2 5-8 of the Park District Code or Section 11-95-14 of the
3 Illinois Municipal Code; ~~and~~ (l) made for contributions to a
4 firefighter's pension fund created under Article 4 of the
5 Illinois Pension Code, to the extent of the amount certified
6 under item (5) of Section 4-134 of the Illinois Pension Code;
7 and (m) made for any mandate shortfall relief levy under
8 Section 17-9.02 of the School Code.

9 "Debt service extension base" means, for all taxing
10 districts except school districts, an amount equal to that
11 portion of the extension for a taxing district for the 1994
12 levy year, or for those taxing districts subject to this Law in
13 accordance with Section 18-213, except for those subject to
14 paragraph (2) of subsection (e) of Section 18-213, for the levy
15 year in which the referendum making this Law applicable to the
16 taxing district is held, or for those taxing districts subject
17 to this Law in accordance with paragraph (2) of subsection (e)
18 of Section 18-213 for the 1996 levy year, constituting an
19 extension for payment of principal and interest on bonds issued
20 by the taxing district without referendum, but not including
21 excluded non-referendum bonds. For park districts (i) that were
22 first subject to this Law in 1991 or 1995 and (ii) whose
23 extension for the 1994 levy year for the payment of principal
24 and interest on bonds issued by the park district without
25 referendum (but not including excluded non-referendum bonds)
26 was less than 51% of the amount for the 1991 levy year
27 constituting an extension for payment of principal and interest
28 on bonds issued by the park district without referendum (but
29 not including excluded non-referendum bonds), "debt service
30 extension base" means an amount equal to that portion of the
31 extension for the 1991 levy year constituting an extension for
32 payment of principal and interest on bonds issued by the park
33 district without referendum (but not including excluded
34 non-referendum bonds). The debt service extension base may be
35 established or increased as provided under Section 18-212.
36 "Excluded non-referendum bonds" means (i) bonds authorized by

1 Public Act 88-503 and issued under Section 20a of the Chicago
2 Park District Act for aquarium and museum projects; (ii) bonds
3 issued under Section 15 of the Local Government Debt Reform
4 Act; or (iii) refunding obligations issued to refund or to
5 continue to refund obligations initially issued pursuant to
6 referendum. "Debt service extension base" means, for school
7 districts, an amount equal to 33% of the school district's
8 currently applicable debt limitation under Section 19-1 of the
9 School Code.

10 "Special purpose extensions" include, but are not limited
11 to, extensions for levies made on an annual basis for
12 unemployment and workers' compensation, self-insurance,
13 contributions to pension plans, and extensions made pursuant to
14 Section 6-601 of the Illinois Highway Code for a road
15 district's permanent road fund whether levied annually or not.
16 The extension for a special service area is not included in the
17 aggregate extension.

18 "Aggregate extension base" means the taxing district's
19 last preceding aggregate extension as adjusted under Sections
20 18-215 through 18-230.

21 "Levy year" has the same meaning as "year" under Section
22 1-155.

23 "New property" means (i) the assessed value, after final
24 board of review or board of appeals action, of new improvements
25 or additions to existing improvements on any parcel of real
26 property that increase the assessed value of that real property
27 during the levy year multiplied by the equalization factor
28 issued by the Department under Section 17-30, (ii) the assessed
29 value, after final board of review or board of appeals action,
30 of real property not exempt from real estate taxation, which
31 real property was exempt from real estate taxation for any
32 portion of the immediately preceding levy year, multiplied by
33 the equalization factor issued by the Department under Section
34 17-30, and (iii) in counties that classify in accordance with
35 Section 4 of Article IX of the Illinois Constitution, an
36 incentive property's additional assessed value resulting from

1 a scheduled increase in the level of assessment as applied to
2 the first year final board of review market value. In addition,
3 the county clerk in a county containing a population of
4 3,000,000 or more shall include in the 1997 recovered tax
5 increment value for any school district, any recovered tax
6 increment value that was applicable to the 1995 tax year
7 calculations.

8 "Qualified airport authority" means an airport authority
9 organized under the Airport Authorities Act and located in a
10 county bordering on the State of Wisconsin and having a
11 population in excess of 200,000 and not greater than 500,000.

12 "Recovered tax increment value" means, except as otherwise
13 provided in this paragraph, the amount of the current year's
14 equalized assessed value, in the first year after a
15 municipality terminates the designation of an area as a
16 redevelopment project area previously established under the
17 Tax Increment Allocation Development Act in the Illinois
18 Municipal Code, previously established under the Industrial
19 Jobs Recovery Law in the Illinois Municipal Code, or previously
20 established under the Economic Development Area Tax Increment
21 Allocation Act, of each taxable lot, block, tract, or parcel of
22 real property in the redevelopment project area over and above
23 the initial equalized assessed value of each property in the
24 redevelopment project area. For the taxes which are extended
25 for the 1997 levy year, the recovered tax increment value for a
26 non-home rule taxing district that first became subject to this
27 Law for the 1995 levy year because a majority of its 1994
28 equalized assessed value was in an affected county or counties
29 shall be increased if a municipality terminated the designation
30 of an area in 1993 as a redevelopment project area previously
31 established under the Tax Increment Allocation Development Act
32 in the Illinois Municipal Code, previously established under
33 the Industrial Jobs Recovery Law in the Illinois Municipal
34 Code, or previously established under the Economic Development
35 Area Tax Increment Allocation Act, by an amount equal to the
36 1994 equalized assessed value of each taxable lot, block,

1 tract, or parcel of real property in the redevelopment project
2 area over and above the initial equalized assessed value of
3 each property in the redevelopment project area. In the first
4 year after a municipality removes a taxable lot, block, tract,
5 or parcel of real property from a redevelopment project area
6 established under the Tax Increment Allocation Development Act
7 in the Illinois Municipal Code, the Industrial Jobs Recovery
8 Law in the Illinois Municipal Code, or the Economic Development
9 Area Tax Increment Allocation Act, "recovered tax increment
10 value" means the amount of the current year's equalized
11 assessed value of each taxable lot, block, tract, or parcel of
12 real property removed from the redevelopment project area over
13 and above the initial equalized assessed value of that real
14 property before removal from the redevelopment project area.

15 Except as otherwise provided in this Section, "limiting
16 rate" means a fraction the numerator of which is the last
17 preceding aggregate extension base times an amount equal to one
18 plus the extension limitation defined in this Section and the
19 denominator of which is the current year's equalized assessed
20 value of all real property in the territory under the
21 jurisdiction of the taxing district during the prior levy year.
22 For those taxing districts that reduced their aggregate
23 extension for the last preceding levy year, the highest
24 aggregate extension in any of the last 3 preceding levy years
25 shall be used for the purpose of computing the limiting rate.
26 The denominator shall not include new property. The denominator
27 shall not include the recovered tax increment value.

28 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;
29 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; 93-689, eff.
30 7-1-04; 93-690, eff. 7-1-04; revised 10-14-04.)

31 Section 10. The School Code is amended by changing Section
32 3-15.1 and by adding Sections 2-3.137 and 17-9.02 as follows:

33 (105 ILCS 5/2-3.137 new)

34 Sec. 2-3.137. Mandates shortfall audits. To require to be

1 included in the annual financial statement of each school
2 district prepared and submitted under Section 3-15.1 of this
3 Code a report showing the receipts and disbursements for
4 special educational purposes and for transportation purposes,
5 including the balance in those funds. Each statement must show
6 an amount for each such fund reflecting the extent to which
7 disbursements for each such purposes exceeded receipts for each
8 such purposes, those receipts excluding any transfers from
9 other school district funds and excluding revenues raised from
10 any taxes levied pursuant to Section 17-9.02 of this Code. Such
11 amount in either fund shall be considered a "mandate shortfall"
12 for the audited year and shall permit a mandate shortfall
13 relief levy in the next occurring school district levy, subject
14 to the provisions of Section 17-9.02 of this Code. The State
15 Board may adopt any rules necessary and consistent with the
16 requirements of this Section to implement its provisions.

17 (105 ILCS 5/3-15.1) (from Ch. 122, par. 3-15.1)

18 Sec. 3-15.1. Reports. To require the appointed school
19 treasurer in Class II counties, in each school district which
20 forms a part of a Class II county school unit but which is not
21 subject to the jurisdiction of the trustees of schools of any
22 township in which such district is located, and in each school
23 district of the Class I counties to prepare and forward to his
24 office on or before October 15, annually, and at such other
25 times as may be required by him or by the State Board of
26 Education a statement exhibiting the financial condition of the
27 school for the preceding year commencing on July 1 and ending
28 June 30.

29 In Class I county school units, and in each school district
30 which forms a part of a Class II county school unit but which
31 is not subject to the jurisdiction of the trustees of schools
32 of any township in which such school district is located, the
33 statement shall in the case of districts on the accrual basis
34 show the assets, liabilities and fund balance of the funds as
35 of the end of the fiscal year. The statement shall show the

1 operation of the funds for the fiscal year with a
2 reconciliation and analysis of changes in the funds at the end
3 of the period. For districts on a cash basis the statement
4 shall show the receipts and disbursements by funds including
5 the source of receipts and purpose for which the disbursements
6 were made together with the balance at the end of the fiscal
7 year. Each school district that is the administrator of a joint
8 agreement shall cause an Annual Financial Statement to be
9 submitted on forms prescribed by the State Board of Education
10 exhibiting the financial condition of the program established
11 pursuant to the joint agreement, for the fiscal year ending on
12 the immediately preceding June 30.

13 The regional superintendent shall send all required
14 reports to the State Board of Education on or before November
15 15, annually.

16 For all districts the statements shall show bonded debt,
17 tax warrants, taxes received and receivable by funds and such
18 other information as may be required by the State Board of
19 Education. The statements shall also show the special education
20 and transportation mandate shortfalls and the other
21 information required under Section 2-3.137 of this Code. Any
22 district from which such report is not so received when
23 required shall have its portion of the distributive fund
24 withheld for the next ensuing year until such report is filed.

25 If a district is divided by a county line or lines the
26 foregoing required statement shall be forwarded to the regional
27 superintendent of schools having supervision and control of the
28 district.

29 (Source: P.A. 86-1441; 87-473.)

30 (105 ILCS 5/17-9.02 new)

31 Sec. 17-9.02. Mandates shortfall relief levies.

32 (a) The school board of any district may, by proper
33 resolution, levy an annual tax, to be known as the "mandate
34 shortfall relief levy for the special education mandate", upon
35 the value of the taxable property within its territory as

1 equalized or assessed by the Department of Revenue at a rate
2 that will produce a sum sufficient to offset the mandate
3 shortfall for the most recently audited year for the special
4 education mandate as determined under Section 2-3.137 of this
5 Code and reported in the school district's annual financial
6 report. The revenue raised by such tax shall be used only for
7 the same special education purposes for which revenues raised
8 by the tax authorized under Section 17-2.2a of this Code may be
9 used.

10 (b) The school board of any district may, by proper
11 resolution, levy an annual tax, to be known as the "mandate
12 shortfall relief levy for the transportation mandate", upon the
13 value of the taxable property within its territory as equalized
14 or assessed by the Department of Revenue at a rate that will
15 produce a sum sufficient to offset the mandate shortfall for
16 the most recently audited year for the transportation mandate
17 as determined under Section 2-3.137 of this Code and reported
18 in the school district's annual financial report. The revenue
19 raised by such tax shall be used only for the same
20 transportation purposes for which revenues raised by the
21 transportation tax authorized under item (5) of Section 17-2 of
22 this Code may be used.

23 Section 90. The State Mandates Act is amended by adding
24 Section 8.29 as follows:

25 (30 ILCS 805/8.29 new)

26 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
27 of this Act, no reimbursement by the State is required for the
28 implementation of any mandate created by this amendatory Act of
29 the 94th General Assembly.

30 Section 99. Effective date. This Act takes effect July 1,
31 2005.